

Sometimes, the truth hurts. That "sometime" is now for Alcoa.

Despite the spin, distractions and outright misrepresentations about legislation and legislators made by Alcoa, the truth is that SB 967 and any similar legislation that may arise in the House, **has nothing to do with eminent domain and does not take property from anyone**. Alcoa appears to have prepared its press releases and other statements without even reading this bi-partisan bill. The federal government is the only entity that can decide to return control of the water to the State of North Carolina.

Here's the truth:

Alcoa's 50-year lease is up and Alcoa is desperate because it hasn't paid the rent in years. As Jack Betts wrote in *The Charlotte Observer* and *The News & Observer*, Alcoa "lost its best argument for renewal about 1,000 jobs ago."

Here's the truth:

In Alcoa's 1957 legal brief filed by Alcoa's legal counsel in support of the 1958 licensing, **Alcoa acknowledged the federal recapture right**, using the federal right or recapture of the Yadkin Project as an a reason why Alcoa should receive a license for 50 years in order to be able make the project economically viable so that the company could recoup the investment it promised to make in order to keep the Badin Works open. Here's what Alcoa's brief said, verbatim:

Under Section 14 of the Act, any project may be "recaptured" at the expiration of the license term. In formulating its plans, therefore, the management of Carolina Aluminum could not rely upon any assured source of power supply after the expiration of its license for the Yadkin Project.⁹⁴

Here's the truth:

Alcoa's current application for license renewal, which acknowledges the federal government's right to recapture, sets forth the statutorily mandated transfer price to be Alcoa's net investment. **We did not make this up - Alcoa wrote it in its own application!**

Here's the truth:

In 1958, Alcoa made a promise to utilize the Yadkin Hydroelectric Project to maintain almost 1,000 jobs. The United States and the State of North Carolina accepted this

promise in agreeing to the terms of the 1958 license. In fact, the federal commission expressly justified granting a new fifty-year license to the Project because otherwise, “continued operation of the Badin [smelting] works would be threatened, to the detriment of its 977 employees (as of 1957) and the surrounding region.” However, **Alcoa broke that promise.**

Here's the truth:

Alcoa has shuttered the Badin Works costing 1,000 North Carolina citizens their jobs. However, Alcoa has continued to seek tax breaks from the state and a new fifty-year license to exclusively operate the hydro project. If Alcoa receives another 50-year monopoly, this time Alcoa will not be using any of the electricity generated by the Yadkin Project to create jobs for the people of North Carolina. Instead, Alcoa will use the public waters of the Yadkin River to generate electricity at an enormous profit to be sold to the highest bidder on the interstate electricity grid. Even worse, **Alcoa could sell the license and the hydro project to a foreign company that would exercise control over the waters that the law says belong to the people.**

Here's the truth:

North Carolina aggressively recruits and provides incentives to businesses that create jobs. Alcoa is not one of those companies. Encouraging the federal government to give the water back to the people is not anti-business. In fact, **the State Trust Concept embodied in SB 967 would create funds for economic development purposes and attract businesses that are here to stay**, not companies like Alcoa that closes a plant in North Carolina while using profits derived from our waters to fund smelting plants in Iceland.

Here's the truth:

The Yadkin River trust will cost the state nothing because it is designed with the ability to issue revenue bonds for the purchase and improvements. Even if Alcoa’s conservative estimate of an annual profit of \$8 million is accurate, **the Yadkin River Trust will easily be able to finance the project without costing the taxpayers of North Carolina one penny.**

Here's the truth:

The Trust will provide more benefits to North Carolina state residents than Alcoa, including:

- **An assurance that the water of the Yadkin, which the public owns, will be valued for the benefit of all North Carolinians rather than exploited for profit.**
- **Priority consideration to local needs, with the intent of restoring and improving environmental, economic and job considerations.**
- **Power generated from the Project will be used for the benefit of the citizens of North Carolina, not a multinational company answerable to no one in North Carolina.**

Here's the truth:

SB 967 addresses three key issues that Alcoa refuses to address or even acknowledge regarding the Yadkin Hydroelectric Project, which is located in Stanly, Davidson, Rowan and Montgomery counties: **water control, job creation and environmental cleanup.**